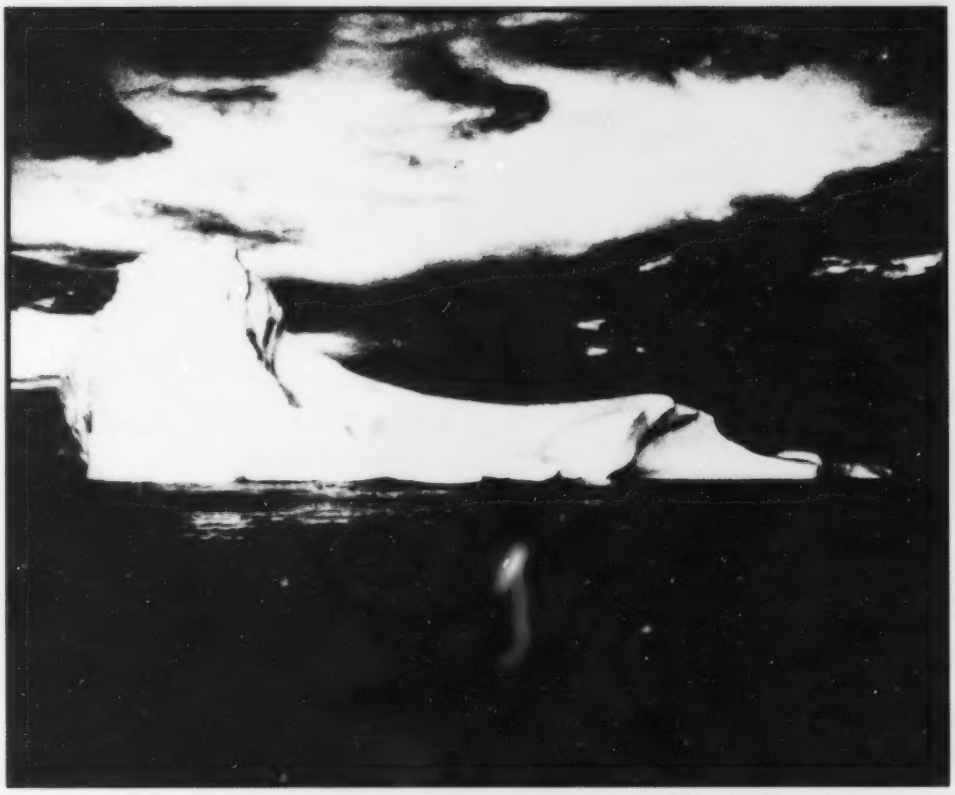
The

Economic Review

November 2000



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

NEWFOUNDLAND & LABRADOR

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Photo: Department of Tourism, Culture and Recreation
Autumn in Newfoundland and Labrador.

Photo: Department of Tourism, Culture and Recreation
Signal Hill Tattoo—cadets perform 19th century British military drills.

Cover photo: Valerie Penney
On the cover: Sunset on iceberg near Change Islands.

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The Global Economic Environment

World

The global economy is performing well in 2000 with economic growth expected to be the best in over a decade. World economic growth is projected to accelerate to 4.7%, up from 3.4% in 1999 and 2.6% in 1998. Gains in economic activity are being led by strong expansions in the United States and Asia, robust growth in Europe, and modest improvement in the Japanese economy.

The International Monetary Fund is projecting that world economic growth will dip slightly to 4.2% in 2001 as growth in the US (the largest economy in the world) slows. While global economic growth is projected to remain strong, there are several downside risks, including potential financial market volatility, continued escalation in oil prices and possible interest rate increases to control US inflation.

Growth in Real GDP (%)

	1999	2000f	2001f
World	3.4	4.7	4.2
Canada	4.5	4.7	2.8
United States	4.2	5.2	3.2
Japan	0.2	1.4	1.8
European Union	2.4	3.5	3.4
Developing Countries	3.8	5.6	5.7
Newfoundland*	6.0	4.7	4.8

International Monetary Fund, October 2000
*1999 - Statistics Canada; 2000 - Economics and Statistics Branch, Department of Finance; 2001 - Private Sector Average

Canada

The Canadian economy is also experiencing strong economic growth this year with real GDP and employment projected to grow by 4.7% and 2.7% respectively. Exports are strong, helped by rising demand for oil and base minerals, a strong US economy, and excellent international demand for high-tech products. Investment in machinery and equipment is continuing at a strong pace as the need for computer related technology continues to expand rapidly. Gains in employment and wages are resulting in strong income growth and high consumer confidence: these factors, combined with tax cuts, are fuelling consumer spending.

Canada's economic performance is expected to soften next year, however, with GDP and employment growth of 2.8% and 1.8% respectively. Rising interest rates and slower growth in the US economy are projected to be the factors behind the slowing expansion.

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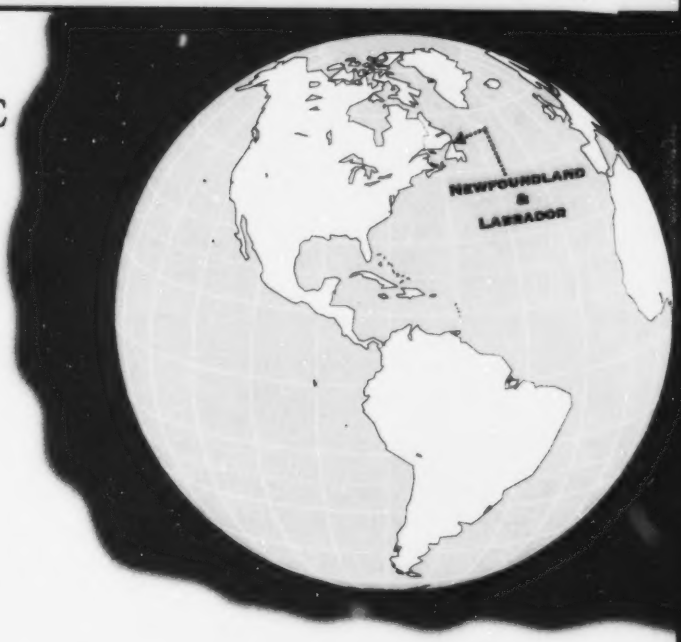
The Global Economic Environment



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Provincial Economic Overview

The provincial economy is projected to expand by 4.7% in real terms in 2000, the third consecutive year of strong economic growth. The export sector will account for three-quarters of growth, spurred by increased oil and iron ore production. Record levels of newsprint production and non-resident tourism will also contribute to growth.

Most indicators of economic activity are recording gains in 2000. Retail sales are up considerably and are well poised to meet the forecast target of 5.0%. Wages and salaries, the largest component of personal income, are up 6.7% in the January to July period. Total personal income for the year is expected to increase by 3.4% while tax cuts will allow disposable income to grow faster at 4.5%. Inflation should average 2.8%, driven predominantly by higher energy costs.

Selected Economic Indicators

(annual % change unless otherwise indicated)

	1999	2000f
Gross Domestic Product	7.8	14.7
real	6.0	4.7
Consumer Price Index	1.5	2.8
Personal Income	2.5	3.4
real	1.0	0.6
Personal Disposable Income	2.0	4.5
real	0.5	1.7
Retail Sales	7.2	5.0
real	5.9	1.9
Employment	5.5	0.0
Labour Force	4.1	-1.1
Unemployment Rate (%)	16.9	16.0
Population	-0.8	-0.4

f: forecast, Department of Finance, October 2000
Source: Department of Finance; Statistics Canada

After posting strong growth in each of the previous two years, employment gains have slowed this year. In the first ten months employment is up only marginally over 1999 and is expected to remain unchanged on an annual basis. Lower employment in the goods sector, particularly the fishing industry, has offset job gains elsewhere. A decline in the labour force is allowing the unemployment rate to continue to fall. The unemployment rate is projected to drop to 16.0% this year.

Population, as of July 1, 2000, was 538,823 a decrease of 0.4% from 1999, the smallest decline since 1993. The components of population change are illustrated in the table below.

Components of Population Change 1999-2000

Population, July 1, 1999		**540,775**
Births	4,724	
Deaths	-4,599	
Natural Increase		**125**
In-Migration	12,320	
Out-Migration	-14,397	
Net-Migration		**-2,077**
Population, July 1, 2000		**538,823**

Source: Statistics Canada

Outlook for 2001

Economic growth is expected to remain strong in 2001 and employment growth is expected to resume. Private sector forecasters, on average, are projecting economic growth of 4.8% and employment growth of 1.8% for 2001.

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Oil And Gas

Offshore Development & Operations

Hibernia production should approximate 50 million barrels in 2000, up 37% from 1999, with an estimated value of $2 billion. The project owners recently reached an agreement with government to increase the annual production limit from 50 to 66 million barrels. This should allow production to increase in 2001.

Terra Nova construction is continuing. Topside assembly and commissioning of the floating production vessel is ongoing at Bull Arm while drilling and flowline installation is progressing at the offshore site. The project employed over 2,300 workers in the Province in September. Terra Nova is expected to produce up to 18 million barrels of oil next year and over 40 million barrels each year thereafter.

White Rose, the Province's third offshore development, is estimated to contain 230 million barrels of oil with the possibility of a further 100 million barrels from ancillary pools. Earlier this year, Husky Oil, the project's operator, announced that a floating production storage and offloading system (FPSO), similar to Terra Nova, is its preferred production system. The front-end engineering design contract has been awarded and, once firm cost estimates are obtained, a Development Plan Application is expected. First oil is targetted for 2004.

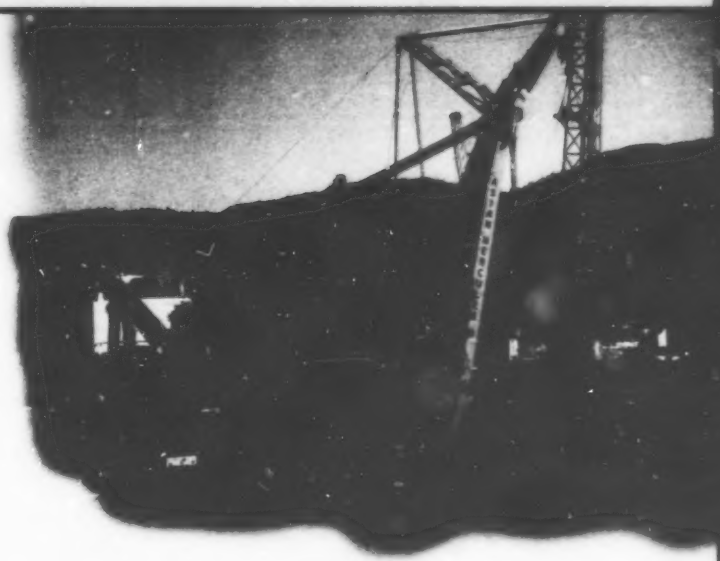
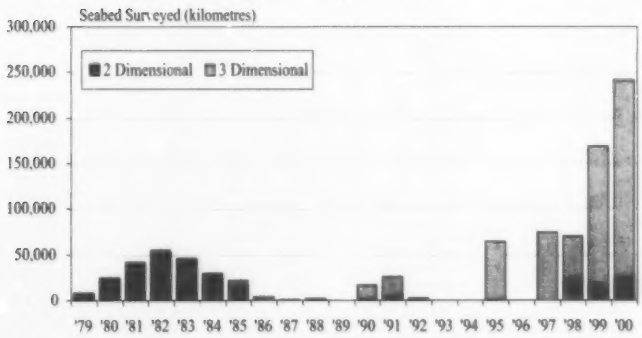


Photo: Terra Nova Project
The flare tower is lifted aboard the Terra Nova FPSO at Bull Arm.

Seismic Data Collection
Offshore Newfoundland



Source: Canada-Newfoundland Offshore Petroleum Board

Onshore Development

In June, Canadian Imperial Venture Corp. submitted a Development Application for the Port au Port Garden Hill development. This field contains high quality oil and is expected to begin production next year. According to the Company, recent seismic data indicated that the field could be larger than previously thought.

Exploration/Delineation

Record levels of seismic data collection and land sales in recent years point to a bright outlook for exploration. Exploration spending this year is expected to total around $160 million. This includes four offshore and two onshore exploration/delineation wells as well as considerable seismic data collection. Seismic data acquisition, typically a prerequisite to exploration drilling, has increased dramatically.

Mining

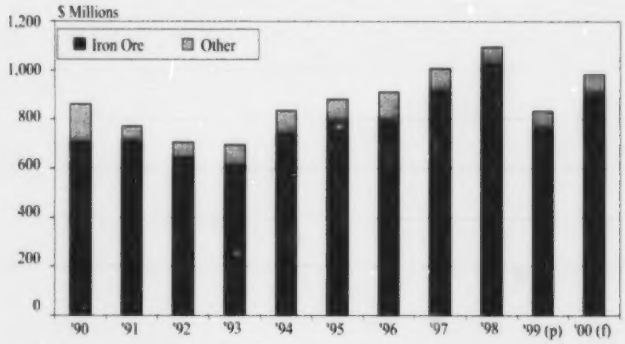
Improving markets and higher prices are leading to a successful year for the mineral industry. Mineral shipments are expected to grow by 18% and approach the $1 billion mark. Employment will remain near 2,700.

Iron Ore & Gold

Mineral shipment growth in 2000 is being driven mainly by a recovery in iron ore. Weakness in key markets coupled with import competition in North America caused iron ore to decline in 1999. Strong demand and higher prices are helping the industry recoup its losses. Continued investment in capacity and efficiency improvements, by both the Iron Ore Company of Canada and Wabush Mines, point to confidence in the longer term prospects for iron ore. Long-term labour contracts are also in place at both operations.

Growth is expected for other minerals as well this year. The most significant of these, in terms of contribution to shipment value, is gold. Gold shipments will be higher in 2000 due to increased production at Richmont Mines' Nugget Pond mine. The Nugget Pond facility is currently test milling ore from Richmont's new Hammerdown deposit. If the results are positive, a production decision may be made in the near future. Hammerdown, once in production, would allow operations at Nugget Pond to continue for a minimum of seven additional years.

Mineral Shipments



Source: Department of Mines & Energy

Exploration & Development

Mineral exploration expenditures are expected to fall to $23 million in 2000, due mainly to reduced nickel exploration in Labrador. Relatively more exploration by junior mining companies, who typically spend smaller amounts than larger companies, has also affected expenditures.

Exploration and development by prospectors and junior mining companies is recognized as being key to expansion of the mineral industry. Recent initiatives that provide assistance to these groups have met with considerable success. One operation benefitting from such initiatives is the Duck Pond copper and zinc deposit near Buchans. The owners, Thundermin Resources and Queenston Mining, are currently engaged in feasibility and environmental assessments of the site. They intend to begin construction in 2001.

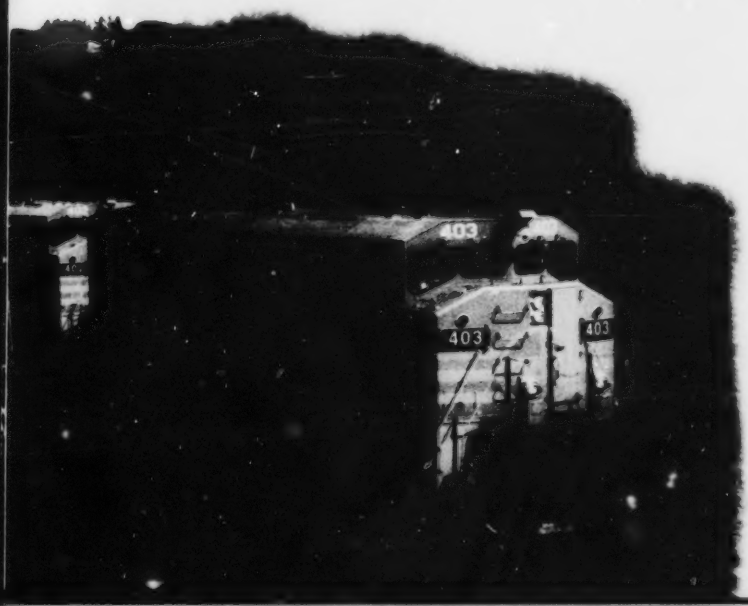


Photo: Iron Ore Company of Canada
The Québec North Shore and Labrador Railway ships iron ore from Labrador City and Wabush to Sept-Iles, Québec for transport to markets in the US, Europe, and Asia.

Fisheries

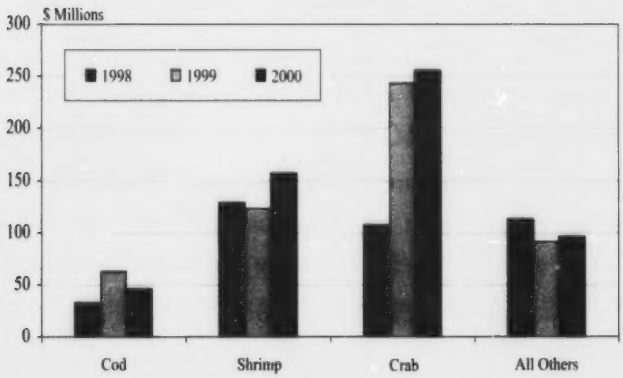
Fish landings are expected to exceed 270,000 tonnes in 2000, on par with 1999. Landed value should surpass 1999's record of $511 million, and production value is projected to exceed $1 billion for the second consecutive year. Average monthly employment, however, is expected to decline and approach 1998 levels. The decrease in employment stems from reduced cod and crab landings, changing product mixes, and the expanded use of new technologies in processing plants.

The final offer selection model, a price settlement mechanism for fish harvesters and processors, has now been incorporated in legislation. This process worked well for the past three years, facilitating a timely start to all major fisheries.

Shellfish

Total shrimp landings are expected to increase from 55,000 tonnes in 1999 to a record 80,000 tonnes in 2000 due to higher inshore quotas and increased fishing effort. Shrimp is processed at 10 plants in the Province, and an eleventh licence was recently approved for Charlottetown, Labrador. Crab landings fell to 54,000 tonnes from 69,200 tonnes in 1999 due to quota reductions. However, crab landings this year remain the second highest ever recorded, and higher negotiated prices pushed the landed value to over $250 million.

Landed Values



Source: Department of Fisheries and Aquaculture

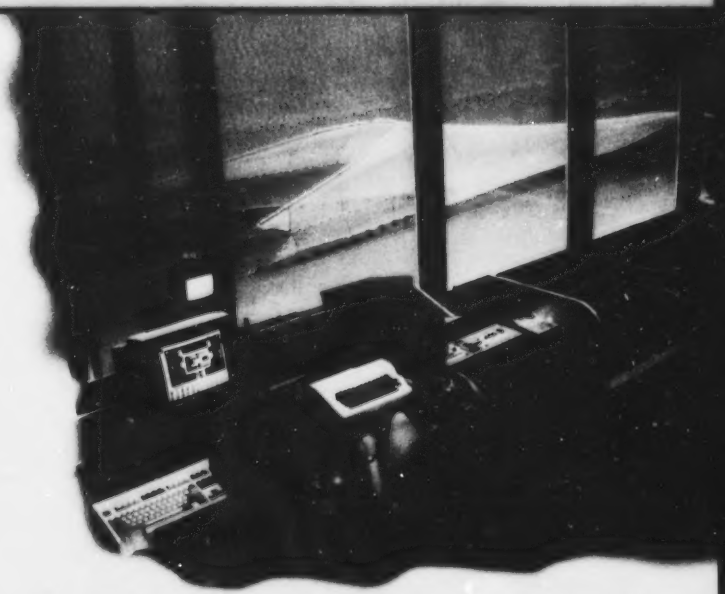


Photo: Fisheries and Marine Institute of Memorial University of Newfoundland
Otter trawl research at the Marine Institute's Flume Tank. The fishery is increasingly marked by joint harvesting, processing and research projects with the Marine Institute and other research organizations. Marine Institute researchers have worked on various projects world wide, including Alaska and Australia.

Groundfish and Pelagics

Total groundfish landings are expected to approximate 70,000 tonnes in 2000, unchanged from 1999. Growth in turbot, flounder and redfish landings will offset lower cod landings. Pelagic landings are also expected to be on par with last year.

Aquaculture

Performance in the aquaculture industry has been mixed this year. Salmonid production has been buoyed by both good markets and increased efficiencies at the farm level. Mussel producers, however, faced difficult markets and unusual growing conditions. As a result, this year's sales have not met expectations. Markets are expected to stabilize later this fall and early into the new year.

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Cultural Activities Profile—Film Industry

Film industry growth has been strong over the last several years. Targetted government investment incentives, the establishment of the Newfoundland and Labrador Film Development Corporation in 1997, and the creative talent and skills of industry professionals have all contributed to the recent surge in activity.

Banner Year in 2000

The film industry has attracted considerable investment through co-productions and visiting production companies. Films are shot in both urban and rural areas of the Province, resulting in widespread economic benefits. The industry is labour intensive, with 50-60% of film budgets spent on salaries and fees. Annual industry expenditures have increased from $2 million in the early 1990s to a record $20 million in 2000.

The largest film production to take place in 2000 was *Random Passage*, a $15.4 million eight part mini-series based on Bernice Morgan's novel about British and Irish immigrants coming to Newfoundland. Expenditures included the construction of a replica 1815 fishing outport near New Bonaventure, Trinity Bay. This co-production between Newfoundland/Québec/Ireland is the biggest mini-series production in the history of Canadian television. It will air in Fall 2001 in Canada and has already been pre-sold to the Irish based RTE radio and television network.

Photo: Newfoundland and Labrador Film Development Corporation
The wharf at Cape Random, a tiny village constructed near New Bonaventure, Trinity Bay for the filming of *Random Passage*.

Selected Film Productions

To be released:	*Release date:*
Random Passage	2001
Rare Birds	2001
Award winning:	
The Bingo Robbers	2000
Clothesline Patch	1999
Misery Harbour	1999
The Divine Ryans	1999
Extraordinary Visitor	1998
When Ponds Freeze Over	1998

Another relatively large budget film, *Rare Birds*, is also being shot in the Province. With an estimated production budget of $4 million, this film is about a man who is ready to abandon his unsuccessful restaurant business until a neighbour proposes a clever scheme to change the business's fortunes. This co-production between British Columbia and Newfoundland is scheduled for release in late 2001.

Looking to 2001

Next year also promises to be an exciting film production season starting with a film version of Wayne Johnston's award winning novel, *The Colony of Unrequited Dreams*. Among others, it is anticipated that the filming of E. Annie Proulx's Pulitzer Prize winning story, *The Shipping News*, will also commence early in 2001.

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Tourism

Performance in 2000

Tourism has recorded significant growth in the last several years. When the final numbers are tallied for 2000, non-resident auto, air and cruise visitors to the Province are expected to reach almost 415,000, up 1.5% from 1999, continuing an upward trend which began with the Cabot 500 celebrations in 1997.

Growth in tourism has been spurred by the *Vikings! 1000 Years* celebration, a province-wide event with a focus on the Viking settlement in L'Anse aux Meadows National Historic Site on the Great Northern Peninsula. The Vikings celebration marked the third special tourism promotion since 1997. Other special promotions included the Cabot 500 Celebrations and Soireé '99. Including 2000, visitors to the Province have grown an average of 25,000 per year since 1996. In order to accommodate the increasing flow of visitors to the Province, the Gulf ferry service has been expanded resulting in improved service levels.

Great strides made in tourism in recent years stem from more focused marketing (e.g., special celebrations), which has increased product awareness and identification; more business travel stemming from strong economic growth; and initiatives aimed at enhancing overall service delivery to tourists. The gains in recent years have invigorated the industry resulting in considerable investment in transportation, accommodation, heritage and recreation facility infrastructure.

Looking to 2001

Early indicators point to another exciting year in 2001. The Province is actively promoting a special celebration marking the 100th Anniversary of Marconi's first wireless TransAtlantic signal. As well, new high-end hotel capacity will be coming on-stream in St. John's and work will continue on a new resort for Western Newfoundland. The new St. John's Civic Centre will open and the number of conventions is expected to exceed the record set during the Cabot 500 celebrations. Cruise ship ports of call are expected to be up and home-porting (i.e., cruises based in the Province) will expand. The Trans Labrador highway will be opened as far north as Mary's Harbour, resulting in increased visitation to this area. Overall momentum, initiated some four years ago, is expected to continue.

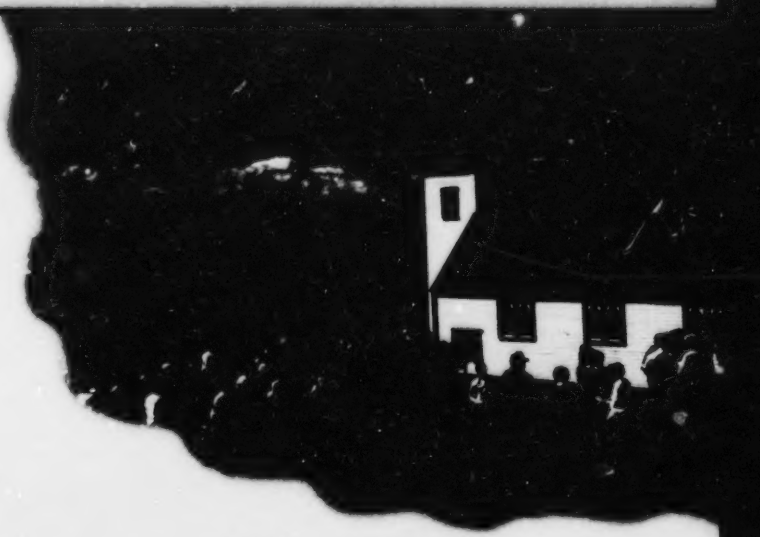


Photo: Department of Tourism, Culture and Recreation
Historic Battle Harbour, a restored community on the South Coast of Labrador whose origins lie in the saltfish industry.

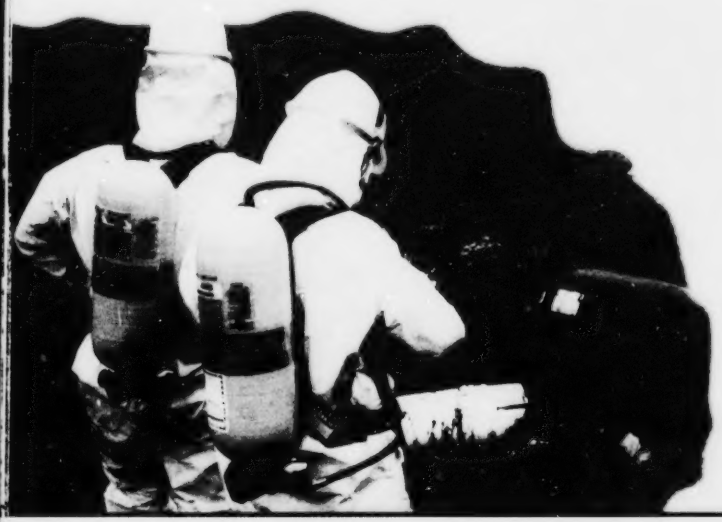
Photo: Department of Tourism, Culture and Recreation
Cabot Tower stands near the site where Guglielmo Marconi received the first TransAtlantic wireless signal.

Advanced Technologies Profile — Environmental Industries

The environmental industry includes products and services which measure, prevent, limit or correct damage to water, air and soil. The industry also investigates problems related to waste, noise and ecosystem. Benefits to users of the industry include enhanced productivity and efficiency, reduced corporate risk and potential liability, and improved corporate image.

Key areas for future industry growth over the next decade will be concentrated in three areas: water and wastewater treatment, solid waste handling, and air pollution control. The Kyoto Protocol, signed in 1998, will also serve to focus industry growth. In the Protocol, developed countries agreed to collectively reduce their greenhouse gas emissions to 5.2% below 1990 levels by 2008.

In Canada, the value of environmental industries is estimated to be over $21 billion. Atlantic Canada accounts for about $1 billion, and this Province accounts for about $175 million.



SCC Environmental Group Inc.

SCC Environmental, a Newfoundland based firm, provides project management, site remediation, wastewater treatment and hazardous waste management services. The Company recently partnered with an Australian firm to clean up the site which housed the Olympic Village in Sydney, Australia. The area was contaminated with carcinogenic chemicals and the Company developed a system to rid the soil of these contaminants. SCC, which won a 1996 provincial export award, markets itself globally, with a presence in South America, Japan, the United States, Australia and New Zealand.

The Provincial Industry

Industry surveys indicate that about 200 environmental firms operate in the Province, employing 2,000 people. Most firms are small with 38% having less than five employees and 70% having less than 10 employees. Industry growth in the Province is accelerating, due in part to the support and coordination activities undertaken by the Newfoundland Environmental Industries Association.

Key strengths of the local industry include: niche technologies (e.g., services targetted for the petroleum industry and aquaculture development); a world class marine based industry on its doorstep (e.g., monitoring, protection and mitigation services); and a strong research and development capacity focused on marine technologies.

The industry is seeking to capitalize on emerging water and wastewater treatment technologies for coastal and large resource based projects, and is increasingly targetting Europe for trade opportunities. Human resource development, access to capital and export promotion are key for continued industry success and expansion.

Advanced Technologies Profile — Environmental Industries

The environmental industry includes products and services which measure, prevent, limit or correct damage to water, air and soil. The industry also investigates problems related to waste, noise and ecosystems. Benefits to clients of the industry include enhanced productivity and efficiency, reduced corporate risk and potential liability, and improved corporate image.

On a global basis, industry growth over the next decade will be focused in three areas: water and wastewater treatment; solid waste handling; and air pollution control. The Kyoto Protocol, signed in 1998, will also serve to focus industry growth. In the Protocol, developed countries agreed to collectively reduce their greenhouse gas emissions to 5.2% below 1990 levels by 2008.

In Canada, the value of environmental industries is estimated to be over $21 billion. Atlantic Canada accounts for about $1 billion, and this Province accounts for about $175 million.

Photo: Newfoundland Environmental Industry Association
Abandoned oil drum investigation.

The Provincial Industry

Industry surveys indicate that about 200 environmental firms operate in the Province, employing 2,000 people. Most firms are small with 38% having less than five employees and 70% having less than 10 employees. Industry growth in the Province is accelerating, due in part to the support and coordination activities undertaken by the Newfoundland Environmental Industries Association.

Key strengths of the local industry include: niche technologies (e.g., services targetted for the petroleum industry and aquaculture development); a world class marine based industry on its doorstep (e.g., monitoring, protection and mitigation services); and a strong research and development capacity focused on marine technologies.

The industry is seeking to capitalize on emerging water and wastewater treatment technologies for coastal and large resource-based projects, and is increasingly targetting Europe for trade opportunities. Human resource development, access to capital and export promotion are key for continued industry success and expansion.

Manufacturing

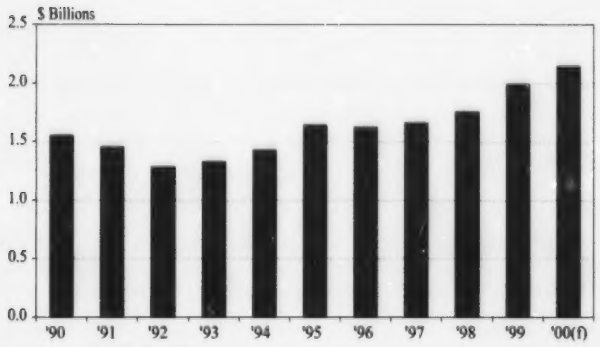
The manufacturing industry is enjoying strong growth in 2000. Shipment value for January to August was $1.4 billion, up 11.9% over the same period last year—annual shipments are expected to exceed $2 billion. Growth continues to come from traditional industries such as newsprint and refined petroleum as well as from smaller non-resource based manufacturers.

Marine Fabrication

The Province's marine heritage, combined with an emerging oil and gas industry, continues to present opportunities for local manufacturers:

- **NEWDOCK, St. John's Dockyard Limited** was recognized in 2000 by the Export Development Corporation as a high-tech innovator in Canada's oil and gas industry. The Company is completing contract work for Norwegian, French and American companies and has recently parlayed expertise it gained from construction of subsea template and manifold systems for the Terra Nova project into a contract to construct similar assemblies for projects in the Gulf of Mexico. NEWDOCK's ship repair activities in 2000 included contracts to refit two Canadian Navy frigates, the HMCS *St. John's* and HMCS *Toronto*. Employment peaked at 340 in September.

Manufacturing Shipments



Source: Statistics Canada

Photo: NEWDOCK, St. John's Dockyard Limited
Canadian Navy frigate HMCS *St. John's* - the first warship to undergo a refit at the dockyard in St. John's since World War II.

- **C & W Industrial Fabrication & Marine Equipment Limited** manufactures seafood grading and processing equipment and aluminum work/pleasure boats. C & W was established at Bay Bulls in 1972 and employs 45 full-time and 15 seasonal employees. The Company exports its products and services to the United States, Venezuela and Japan. C & W is a winner of several provincial export awards.

- **Rope, Net & Twine Limited**, was founded in 1993 to service the Canadian fishing fleet. This year the local success of Rope, Net & Twine attracted investment from two Icelandic companies. This partnership has opened export markets and brought the Company into one of the largest fishing equipment supply chains in the world. In conjunction with this partnership Rope, Net & Twine expanded operations this summer to include a new production facility in Spaniard's Bay and now employs 10 people, up from 5 prior to the expansion.

Forestry

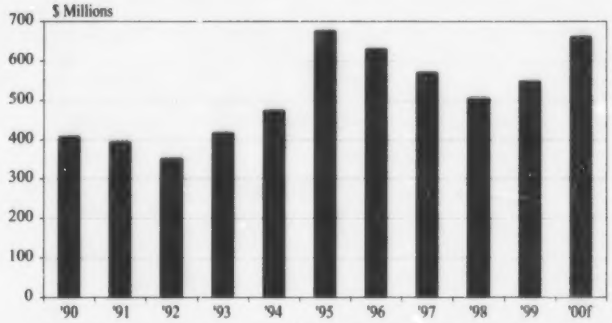
Newsprint

The newsprint industry is expected to have a banner year in 2000 driven by strong world markets and a stable labour environment (labour-management disputes lowered production in 1998 and 1999). Year-to-date numbers indicate that newsprint shipments should reach a record high this year. In the January to September period, shipments reached 602,500 tonnes, an increase of 13.8% over the same period in 1999. Increased demand for newsprint is broad-based, coming from Europe, Asia, and the United States.

World market prices are also favourable with newsprint currently trading at US$610 per tonne, an increase of US$100 per tonne since March. As a result of both volume and price increases, the transaction value of shipments in 2000 is expected to be in excess of $650 million, the second highest shipment value on record. Total employment in the industry, including mill production and logging, is expected to be around 3,200 persons in 2000.

Mill owners, Abitibi-Consolidated Inc. and Kruger Inc., continue to improve the competitiveness of the Province's three newsprint mills through continued capital investment: total investment at the mills in 2000 is expected to reach $44 million. Furthermore, industry and government are examining the feasibility of the establishment of a de-inking facility.

Value of Newsprint Shipments



Source: Department of Forest Resources and Agrifoods; Economics & Statistics Branch, Department of Finance

Photo: Department of Forest Resources and Agrifoods
Corner Brook Pulp and Paper Limited's mill.

Sawmilling

The sawmilling industry, which employs over 3,000 people, continues to expand its capacity. Production from the Province's sawmills is expected to increase to a record 120 million board feet this year. One half of this production is exported outside the Province. Capacity expansion in the industry is facilitated by an increased number of fibre exchange agreements with newsprint mills, increased efficiency through new manufacturing technologies, and development of opportunities for value-added production. While volume continues to grow, falling prices in the US market this year are negatively impacting production value and profits.

Silviculture

Approximately $11 million will be spent on silviculture in 2000, an increase of 18% over 1999. Over 12,000 hectares of land are being treated, resulting in the creation of approximately 320 person years of employment.

Agrifoods

Overview

Dairy poultry, eggs, and floriculture are the mainstays of the agrifoods industry, however, efforts to expand the industry are focused on diversification and new product development. For example, experimentation is underway with new crops such as currants, partridge berries, cranberries, ginseng, and sea buckthorn.

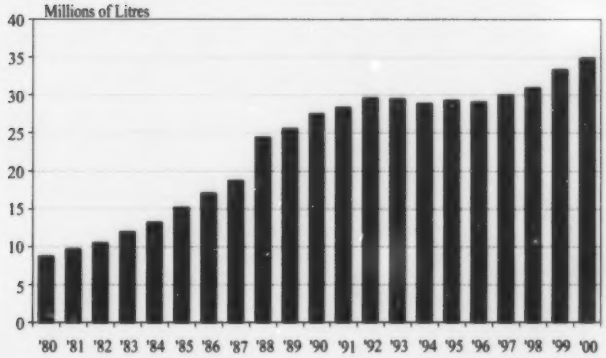
One area which has experienced substantial growth in recent years is the Province's greenhouse sector. Presently, sales of locally grown floriculture and nursery products account for about 10% of total farm cash receipts compared to an average of less than 6% during the 1980s.

Photo: Department of Forest Resources and Agrifoods
Ryan's Dairy Farm, Torbay.

Farm Cash Receipts

Farm cash receipts are down slightly in 2000 following record sales of $78.1 million in 1999. Receipts for the first six months totalled $35.5 million, 6.8% lower than the same period last year. A reduction in poultry sales was the main reason for the overall decline—most other farm products including dairy, cattle, and floriculture and nursery recorded positive growth.

Fluid Milk Production



Source: Statistics Canada

Dairy

The dairy industry produces milk, milk powders, butters, yogurt, ice cream, cheese, and other specialty products. The total market value of dairy products in 1999, including both primary and secondary processing, is estimated at close to $100 million. Forty-nine dairy farms and six dairy processors operate in the Province, directly employing over 700 people on farms and in processing, manufacturing, marketing and sales, and transportation. Dairy farm receipts, which represent the revenue of the primary sector of the industry, have increased by over 15% since 1996, reaching a record $25.8 million in 1999.

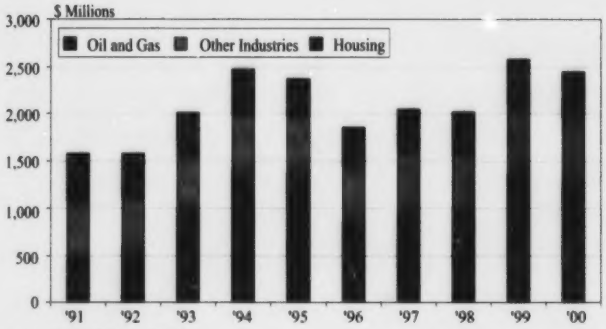
Fluid milk production for 2000 is expected to reach a record 34.8 million litres, surpassing 1999 production of 33.4 million litres. This represents a fourfold increase from the early 1980s, and has allowed the Province to become self-sufficient in the production of fluid milk.

Construction

Overview

Activity in the construction industry remains high in 2000. Construction investment is expected to record a slight decline this year, coming off peak Terra Nova spending in 1999, however, expenditures should approximate $2.44 billion, the third highest level on record.

Construction Investment



Source: Statistics Canada

Residential

Housing starts are performing better than expected with growth of 10.2% during the first nine months of 2000. Most of this increase has occurred in urban areas of the Province where starts were up by 15%. In comparison, rural starts grew by 1.1%. Total housing investment in 2000, including new construction and renovations, is expected to reach almost $490 million, an increase of 2.2% over 1999.

Non-Residential

Non-residential construction investment, including the private and public sectors, is expected to be around $1.95 billion in 2000 (private: $1.47 billion, public: $0.48 billion). About 65% of this investment is linked to the oil and gas industry, most of which is attributable to the Terra Nova project. Other private sector investment in 2000 includes construction of several retail stores and accommodation facilities.

Public Infrastructure

Public sector construction investment is expected to increase by 12.4% in 2000 to about $475 million. Projects include a new Civic Centre and Convention Facility in downtown St. John's, a new City Hall in Mount Pearl, and construction of several new schools, hospitals and roads in various regions of the Province.

The Trans Labrador Highway north to Mary's Harbour is expected to be completed and opened in 2000, as are the St. John's Outer Ring Road east to Torbay Road, the divided Trans Canada Highway west to Whitbourne, and the Conception Bay North Access Road north to Tilton.

Photo: Department of Works, Services and Transportation
Construction of Trans Labrador Highway at St. Lewis River.

The Economic Review is published annually by the Government of Newfoundland and Labrador under the authority of The Honourable Lloyd Matthews, Minister of Finance.

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Photo: Clifford Grinling
Rose Blanche Granite Lighthouse built in 1873.

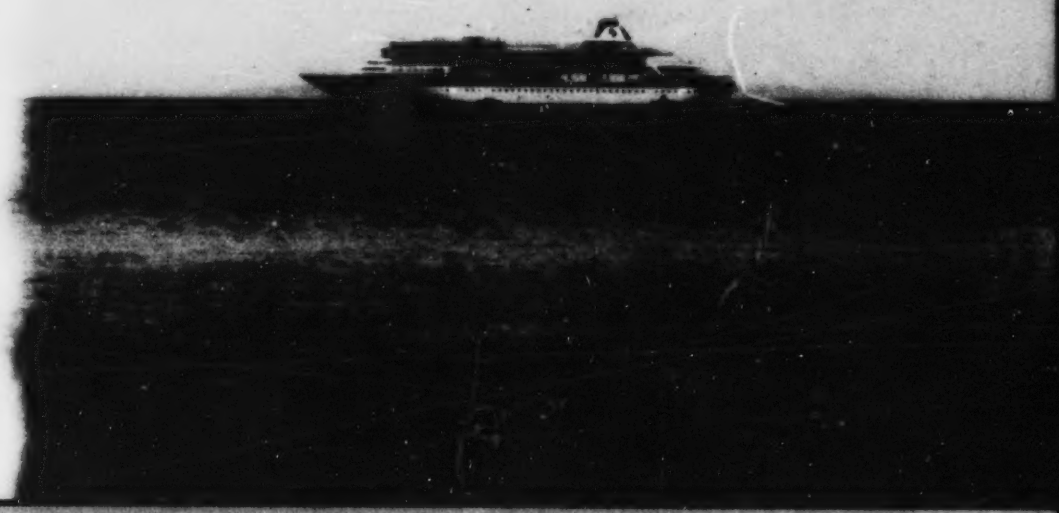

Photo: Viking Trail Tourism Association
A cruise ship provides a majestic background to coastal buttercups.